WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

| Building No. | Street | City | | Zip | Date of Inspection | Number of |
|--|------------------------|----------------------------------|----------------------------------|---------------------------------|-----------------------|------------|
| 4039 | N. BONITA ST. | SPRING VALLEY | | 91977 | 06/15/17 | Pages 6 |
| FARMER TERMITE CONTROL SD - 4052 THOMAS ST. OCEANSIDE CA 92056 (866) 379-0848 619-265-2009 | | | | VISA MasterCard DISCOVER | | |
| Ordered by : | | Property Owner and/or Party of I | rty of Interest: Report sent to: | | | |
| BRIAN RAYN ADVISORS, II | OHA @ APARTMENT NC. | JAMES GODING | | TERESA MCELANEY @ CHICAGO TITLE | | |
| COMPLETE REPORT SUPPLEMENTAL RE | | | L REPORT | REIN | SPECTION REP | ORT |
| General Description: | | Inspection Tag Posted : | | | | |
| 2 STORY STUCCO WOOD FRAME MULTIFAMILY RESIDENCE | | | METER BOX | | | |
| | | | Other Tags Po | osted | | _ |
| An inspection has been made of the structure(s) shown on the diagram in accordance with the Structural Pest Control Act. Detached porches, detached steps, detached decks and any other structures not on the diagram were not inspected. | | | | | | |
| Subterranean Termites Drywood Termites Fungus / Dryrot Dry | | | | | | |

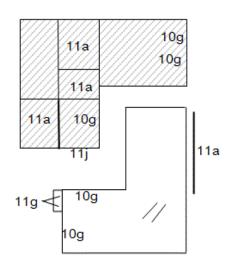


DIAGRAM NOT TO SCALE

| Inspected by | Jon Terry | State License No | OPR11019 | Signature | Jon Terru |
|--------------|-----------|------------------|----------|-----------|-----------------|
| | | | | | 0 - 1 - 1 - 1 / |

You are entitled to obtain copies of all reports and completion notices on this property reported to the Structural Pest Control Board during preceding two years. To obtain copies contact: Structual Pest Control Board, 2005 Evergreen Street, Ste. 1500, Sacramento, CA 95815

NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 561-8708,(800) 737-8188 or www.pestboard.ca.gov

JT13:2520170619

2ND PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

| 4039 | N. BONITA ST. | SPRING VALLEY | CA 91977 |
|----------|---------------|--------------------|---------------|
| BLDG.NO. | STREET | CITY | ZIP CODE |
| | | 06/15/17 | |
| STAM | P. NO. | DATE OF INSPECTION | CO.REPORT NO. |

TERMS AND CONDITIONS

- A.. It is acknowledged and understood by all parties to this agreement that the making of this report and any subsequent work performed is in San Diego, California. Any suit, arbitrations, meditation or other remedial process shall be filed and maintained in San Diego, California.
- B. I agree to pay actual attorney's fee's if required by this company to enforce any term this contract, together with the costs of such action, whether or not suit proceeds to a judgment.
- C. All chemical materials and materials applied by this firm are applied in concealed areas only (attic. substructure, etc...) therefore entrance to these areas should be avoided for a period no less than 48 hours after application.
- D. I/We the undersigned have read, received, and agreed to all the provision(s) contained herein and have acknowledged receipt of and exact copy of this hand direct delivery.
- E NOTICE: Certain areas are recognized by by industry as Inaccessible and/or for other reasons not inspected. These include but are not limited to: inaccessible and/or, insulated attics or portions thereof. attics with less than 18" clear crawl space, the interior of hollow walls: spaces between a floor or porch deck and the ceiling below where there is no access without defacing or tearing out lumber, masonry or finished work, areas behind stoves, refrigerators or beneath floor coverings, furnishings; areas where encumbrances and storage, conditions or locks make inspection impractical, portions or the sub-area concealed or made inaccessible by ducting or insulations, area beneath wood floor over concrete, and areas concealed by heavy vegetation whether noted or not. Areas or timbers around eaves we visually inspected from ground level only. Although we make visual examination, we do not deface or probe window/door frames or decorative trims. Unless otherwise specified in this report, we do not inspect fences, sheds, dog houses, detached patios, detached wood decks, wood retaining walls or wood walkways. We assume no responsibility for work done by anyone else for damage to structure or contents during our inspection or for infestations, infections, adverse condition or damage undetected due inaccessibility or non-disclosure by owner/agent/tenant.
- F. Slab floor construction has become more prevalent In recent years. Floor coverings may conceal cracks in the slab that will allow infestation to enter. Infestations in the walls may be concealed by plaster that a diligent inspection may not disclose the true condition.. These areas are not practical to inspect because of the health hazard, damage to the structure or inconvenience. They were not inspected unless describe in this report. We recommend further inspection if there is any questions about the above noted areas. Ref: Structural Pest Control Act, Article 6, Section 851 6(b) paragraph 1990(1). Amended, effective March 1, 1974. Inspection is limited to disclosure of wood destroying pest or organisms as set forth in Structural Pest Control Act, Article 6, Section 8518tb), paragraph 1990-1991
- G. If the structure is a condominium type unit sharing common walls. and/or foundations with adjacent units. the adjacent condominium type units were not inspected, and no opinion is rendered, nor guaranteed implied concerning the presence or absence of infestations or infections in these common areas, or spreading from these common areas into the inspected unit.
- H. A re-inspection may be performed, if requested within (4) months from date of original inspection on any corrective work that we are regularly in the business performed. If Certification is required, then any work performed by others must be certified by them. There is a Re-inspection fee.
- I. This company is not responsible for work completed by others, recommended or not, including Owner. Contractor bills should be submitted to Escrow as certification work completed by others.
- J. The inspection report includes findings relating to the presence/non-presence of wood destroying organisms only. The inspector did not go onto the roof surface due to possible physical damage to the roof, or personal injury. No opinion is rendered nor guaranteed implied concerning water-tight integrity of the roof or the condition of the roof and roofing materials. If interested parties desire further information on the condition of the roof, we recommend that they engage the service of licensed roofing contractor.
- K. Any estimates issued by this firm does not include painting or decorating unless specifically stated otherwise. In the process of work performed, items recommended will be replaced as close as possible to the original, but are not quaranteed to match.
- L. STALL SHOWERS: Regarding existing showers, our inspections is an observation on the date of inspection only and should not be construed as a warranty or guarantee. This firm will assume no liability or responsibility for showers that have not been repaired by this firm.
- M. Second story stall showers, are inspected but not water tested unless there is evidence of leaks at the ceiling below. Ref: Stnuctural Pest Control Rules and Regulations, Sec.8516G. Sunken or below grade showers or tubs are not water tested due to construction.
- N. During the course of/or after opening walls or any previously concealed areas, should any further damage or infestation be found, a supplementary report

3RD PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

| 4039 | N. BONITA ST. | SPRING VALLEY | CA 91977 |
|----------|---------------|--------------------|---------------|
| BLDG.NO. | STREET | CITY | ZIP CODE |
| | | 06/15/17 | |
| STAM | MP. NO. | DATE OF INSPECTION | CO.REPORT NO. |

will be issued. Any work completed in these areas would be at Owners discretion and additional expense.

- O. During the process of treatment or replacement it may be necessary to drill holes through ceramic tile or other floor covering: these holes will be sealed with concrete., We will exercise due care but assume no responsibility for cracks, chipping or other damage to floor coverings. We do not relay carpets.
- P. We assume no responsibility for plumbing, gas or electrical lines, etc. in the process of pressure treatment or concrete slab areas or replacement.
- Q. When a fumigation is recommended we will exercise all due care but assume no responsibility for damage to shrubbery, trees, plants, TV antennas or roof. A FUMIGATION NOTICE and FUMIGATION FACT SHEET will be sent with or mailed to the owner, the property, or his/her designated Agent/Tenant. Occupant must comply with instructions contained in Fumigation Notice. During the fumigation and aeration, the possibility of burglary exists as it does any time you leave your home. Therefore, we recommend that you take any steps that you feel necessary to prevent any damage to your property. We also recommend that you contact your insurance agent and verify that you have insurance coverage to protect against any loss,damage or vandalism to your property. This company does not provide any on site security except as required by the state or local ordinance and does not assume any responsibility for care and custody of the property in case of vandalism, or breaking of entry. Should occupant not properly prepare for the fumigation, a fee for bagging food stuff may be levied at the rate of \$25 per bag.
- R. Your termite report and clearance will cover any EXISTING infestation which is outlined In the report. If Owner of the property desires coverage of any new infestation it would be advisable to obtain a Control Service Policy which would cover any new infestation for the coming year.
- S. The total amount of this contract is due and payable upon completion of work unless otherwise specified. A Finance Charge computed at a monthly rate of 2.0% of the unpaid balance (annual percentage rate of 24%) will be added to all accounts past due.
- T. If inspection report is used for escrow purposes then it is agreed that this inspection report and completion, if any, Is part of the ESCROW TRANSACTION. However, If you received written or verbal instruction from any interested parties involved in this escrow (agents, principals, etc.,) to not pay our invoice at close of escrow, you are instructed by us not to use of these documents to satisfy any conditions or terms of your escrow for purposes of closing escrow. Further, you are instructed to return all our documents with the most current mailing address you have filed.
- U. Owner/agent/tenant acknowledges and agrees that the inspection of the premises will not include the presence or non-presence asbestos and that this report will not include any findings or opinions regarding the presence or non-presence of asbestos in, upon or about the premises. We recommend that you contact a contractor specifically licensed to engage in asbestos related work. Further, should we discover the presence of asbestos during our inspection of the premises or should our inspection cause a release of asbestos dust or particle, owner/agent/tenant shall be solely responsible for the clean up, removal and disposal of the asbestos and the cost thereof. Owner/agent/tenant agrees to waive any and all claims against this company which are in any way related to the presence of asbestos on the premises and further agrees to identify and hold this company harmless from any and all claims of any nature asserted by any third, including this company's employees, which is in any way related to the presence of the asbestos on the premises. disposal of the asbestos and the cost thereof. Owner/agent/tenant agrees to waive any and all claims against this company which are in any way relate
- V. This contract Is intended to express the entire agreement of the parties here to and no agreement other than sent forth herein shall be binding upon either party.
- W. It is understood and agreed that this firm will assume no responsibility for any condition(s) which is/are not specifically mentioned in this contract. Furthermore the owner/agent agrees to hold this firm harmless and indentify Farmer Termite Control, its officers and employees from any cause of action stemming or related to the previously referenced property. It is agreed between all parties that the limit of liability of this firm shall be limited to an amount of payment remitted to Farmer Termite Control in consideration of work performed. Any and all reports issued by this firm shall be limited to conditions specifically mentioned therein. No Guarantee or warranty is issued by this firm beyond any area which corrective measures have been made. Any and all inspections/clearances issued by this firm area limited to the date of inspection only and should not be constructed as a guarantee but rather as a statement of condition on date of inspection of visible and accessible areas only. Should any dispute arise as a result to this contract both parties hereto agree to resolve said dispute by binding disputation.
- X. This wood destroying pests & organisms report does not include mold or any mold like conditions. No reference will be made to mold or mold like conditions. Mold is not a wood destroying organism and is outside the scope of this report as defined by the structural pest control act. If you wish your property to be inspected for mold or mold like conditions, please contact the appropriate professional.

NOTE:

Under the California Mechanic's Lien Law any structural pest control operator that does work for you, contractor, subcontractor, laborer, suppliers or other person who helps to improve your property, but is not paid for the work or supplies, has the right to enforce a claim against your property. This means that after a court hearing your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you

4TH PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

| 4039 | N. BONITA ST. | SPRING VALLEY | CA 91977 |
|----------|---------------|--------------------|---------------|
| BLDG.NO. | STREET | CITY | ZIP CODE |
| | | 06/15/17 | |
| STAN | MP. NO. | DATE OF INSPECTION | CO.REPORT NO. |

have paid your contractor in full but subcontractor(s), laborer(s) or supplier(s) remain unpaid.

To preserve their rights to file against your property, certain claimants such as subcontractors or materials suppliers are required to provide you with documents entitled "Preliminary Notice" General contractors and laborers for wages do not have to provide this notice. A preliminary is not a lien against your property. It's purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.

State law requires that you be given the following information:

CAUTION-PESTICIDES ARE TOXIC CHEMICALS. Structural pest Control Operators are licensed and regulated by the Structural Pest Control Board, and apply pesticides which are registered and approved for use by the California Department of Food and Agriculture and the United States Environmental Protection Agency. Registration is granted when the state finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that the risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized.

If within 24 hour's following application you experience symptoms similar to common seasonal illness comparable to the flu, contact your physician or poison control center 1800-222-1222 and your pest control operator immediately.

For further information, contact any of the following: Your Pest Control Company 888-340-2847; for Health Questions - County Health Dept: Orange (714) 834-4499; Los Angeles (888)-700-9995; San Diego (619)229-5400; Riverside(951)358-5000; San Bernardino (888)818-8988; for Application Information -County Agricultural Commissioner: Orange (714)447-7100; Los Angeles (626)575-5454; San Diego (858)694-2739; Riverside (951)955-3011; San Bernardino (909)387-2105 and for Regulatory information -the Structural Pest Control Board, 2005 Evergreen St Suite 1500 Sacramento, CA 95825 (916) 561-8700

NOTICE: Farmer Termite Control subcontracts all fumigations. The subcontractor for all fumigations will be either Statewide Fumigations Inc. or Mega Fume Inc. Additional contact information will be made available upon request.

GENERAL NOTES

Note - Where replacement requires removal of roof covering Farmer Termite will repair roof covering immediately above repaired area, but will assume no responsibility for water repellant quality. It is recommended that a licensed roofer be consulted as to the condition of roof coverings. This firm renders no opinion regarding present or future condition of roof. Any questions should be referred to a licensed roofer for a professional opinion to be rendered.

A report has been requested which is defined as section I/II. Conditions were evident on the date of this inspection. Section I contains items where there is evidence of active infestations, infections or conditions that have resulted in or from infestations or infection. Section II items are conditions deemed likely to lead to infestations, infections, but where no visable evidence of such was found. Section II items may progress and become section I items. If these areas are not further/reinspected, prior to commencement of work, or any section II areas are not completed by this firm, they will be excluded from any warranties and or guarantees. Section II areas may lead to infestations and or infections of other areas. These areas are excluded from any guarantee or warranty. For your protection this firm recommends that all items contained within this report be completed.

The exterior surface of the roof will not be inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractor's State License Board.

NOTE - Effective January 1, 1994

Sec 8698.1.(a) Any person who performs structural fumigation in Los Angeles County shall pay to the director of the Department of Pesticide Regulation a fee of five dollars (\$5) for each treatment conducted at a specific building structure.

A (\$5) surcharge will be added to all fumigations completed in Los Angeles County to off set this new tax.

All primary work completed by this firm is under warranty for at minimum one year, unless otherwise stated. Fumigations carry a two year warranty against all existing infestations noted in our original report. Any local treatments or secondary measures completed are under warranty for one year and are limited to the specific wooden members that were treated. If any additional infestations or new infestations are noted outside of the specific wooden members treated then no warranty is in effect for these areas and a supplemental report and estimate will be provided. All repairs completed by Farmer Termite Control are under warranty for one year. Farmer Termite Control does not warranty any work completed by others nor does it guarantee the manner in which it was completed. Any and all warranties are null and void if any work completed by this firm is modified or tampered with in any way. This firm makes no warranty or guarantee implied or specific relating to products, materials installed, fabricated, manufactured or labor performed by other than employees of this firm. Said warranty is limited to labor and repairs specifically made at time of original work. This firm shall not be liable for any special, incidental, or consequential damage or for loss, damage or expense directly or indirectly performed from any and or all work performed by this firm on the aforementioned property. This firm shall not be liable for any condition which is concealed, hidden, or otherwise not made known to this firm by owner/agent. Should title to property be conveyed to other than owner or agent ordering work all agreements between this firm and owner/agent shall be binding upon new property owner. Said warranty is conditional upon full

5TH PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

| 4039 | N. BONITA ST. | SPRING VALLEY | CA 91977 | |
|----------|---------------|--------------------|---------------|--|
| BLDG.NO. | STREET | CITY | ZIP CODE | |
| | | 06/15/17 | | |
| STAN | MP NO | DATE OF INSPECTION | CO.REPORT NO. | |

payment being made and funds clearing. This is a legal agreement between the owner of the property and their agent with this firm. Ordering of work beyond this inspection includes acceptance of all the terms and conditions set forth in this report. Should correction work be performed by this firm all fees are due and payable at time work is completed. Should full payment not be received it is futher agreed upon that a mechanics lien may be filed and owner/agent agrees that a document preperation fee not to exceed one hundred dollars will be charged to the account. It is further agreed upon should payment not be made within thirty days of completion of work, the person ordering said work shall be responsible for payment of said work.

It is acknowledged and understood by all parties to this agreement that the making of this report and any subsequent work performed is in San Diego, California. Any suit, arbitrations, mediation or other remedial process shall be filed and maintained in San Diego, California.

Note: This wood destroying pests and organisms report does not include mold or any mold like conditions. No reference will be made to mold or mold like condition. Mold is not a wood destroying organism and is outside the scope of this report as defined by the structural pest control act. If you wish your property to be inspected for mold or mold like conditions, please contact the appropriate mold professional.

- Y. When fresh paint is noted on this report, it is possible that evidence of infestation/infection may be covered/masked or otherwise disguised. Farmer Termite Control is not responsible for any evidence that is not visible or accessible at time of inspection.
- Z. When storage is noted on this report, it is possible that evidence of infestation/infection may be covered/masked or otherwise invisible. Farmer Termite Control considers such areas as inaccessible and a further inspection is recommended. Farmer Termite Control is not responsible for any evidence that is not visible or accessible at the time of inspection.
- AA. When water stains are noted on this report Farmer Termite Control is making note of the possibility water damage. A further inspection conducted by an appropriate tradesman is recommended by this firm.
- BB. When foliage is noted on this report, possible evidence may be covered/masked or otherwise invisible. Farmer Termite Control considers such areas as inaccessible and a further inspection is recommended. Farmer Termite Control is not responsible for any evidence that is not visible or accessible at the time of inspection.
- CC. When insulation is noted, it is possible that evidence may be covered/masked or otherwise disguised. Farmer Termite Control is not responsible for evidence that is not visible or accessible at the time of inspection.
- DD. When recent repairs or recent remodeling are noted, it is acknowledged that possible evidence may be covered/masked in the process of said repairs and this firm is not responsible for any evidence in any inaccessible or non-visible areas.
- EE. ** IT IS UNLAWFUL FOR ANYONE OTHER THAN BRANCH 3 STRUCTURAL PEST CONTROL FIELD REPRESENTATIVES/OPERATORS TO REPORT FINDINGS AND RECOMMENDATIONS REGARDING WOOD DESTROYING ORGANISMS/PESTS**
- FF. LOCAL TREATMENT, WHILE NOT ALL ENCOMPASSING, MAY BE AN EFFECTIVE METHOD OF TREATMENT IN CERTAIN SITUATIONS. HOWEVER, IF INFESTATIONS EXIST IN INACCESSIBLE AREAS AND WERE NOT REVEALED DURING INSPECTION, THEY WILL NOT BE EXTERMINATED. IF REQUESTED AN ESTIMATE FOR AN ALL ENCOMPASSING TREATMENT (i.e. FUMIGATION) WILL BE SUBMITTED. REQUEST MUST BE MADE IN WRITING PRIOR TO COMMENCEMENT OF ANY WORK BY THIS FIRM.
- GG. As of April 2010, federal law mandates all properties built prior to 1978 are assumed to contain lead based paint. The property owner must provide a lead free certification to this firm prior to commencement of work. If no certification is provided, a 15% surcharge will be added to the contract amount for federally mandated lead based paint renovation procedures. This surcharge does not include any disposal, transport or any additional testing that may be required by local or federal government(s).

NOTICE: The charge for service that this company subcontracts to another registered company may include the company's charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept Farmer Termite Control's bid or you may contract directly with another registered company licensed to perform the work. If you choose to contract directly with another registered company, Farmer Termite Control will not in any way be responsible for any act or omission in the performace of work that you directly contract with another to perform. NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc...). However, recommendations to correct these findings may vary from company to company. You have the right to seek a second opinion from another company.

FINDINGS AND RECOMMENDATIONS

10g INTERIOR Drywood termites were noted at interior UNIT 4039 KITCHEN WINDOW SILL, UNIT 4039 BEDROOM WINDOW SILL
FINDING: UNIT 4041 BEDROOM WINDOW SILL, UNIT 4043 LIVING ROOM WINDOW SILL as per diagram location.

RECOMMENDATION: Fumigate structure with a state registered fumigant (Methyl Bromide or Sulfuryl Flouride or MAKR') Section I

SECONDARYTreat all visible and accessible infestations with a state registered material. (Dursban PT Chlorpyrifos 0.5% or Timbor **RECOMMENDATION:** Disodium Octaborate Tetrahydrate)Note:All visible and accessible areas of treatment may be certified upon completion

of work. Secondary measures are considered below standard per Structural Pest Control Act Sec.1992. (Section 1)

PLEASE REFERENCE SECTION FF IN GENERAL NOTES

11a **EXTERIOR** Exterior SIDE OF BUILDING (DOG), STORAGE ROOMS is inaccessible as per diagram location.

FINDING:

RECOMMENDATION: Further inspect areas upon being made accessible, make additional estimate Issue Supplemental Report (if needed).

Section Unknown.

11g **EXTERIOR** Drywood termites was noted at exterior METER BOX as per diagram location.

FINDING:

6TH PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

4039 N. BONITA ST. SPRING VALLEY STREET ZIP CODE BLDG.NO. CITY 06/15/17 CO.REPORT NO. STAMP. NO. DATE OF INSPECTION RECOMMENDATION: Fumigate structure with a state registered fumigant (Methyl Bromide or Sulfuryl Flouride or MAKR') Section I **SECONDARY** Treat all visible and accessible infestations with a state registered material. (Dursban PT Chlorpyrifos 0.5% or Timbor **RECOMMENDATION:** Disodium Octaborate Tetrahydrate)Note:All visible and accessible areas of treatment may be certified upon completion of work. Secondary measures are considered below standard per Structural Pest Control Act Sec.1992. (Section 1) PLEASE REFERENCE SECTION FF IN GENERAL NOTES 11j **EXTERIOR** Dryrot / Fungus was noted at 4043 FRONT DOOR (NO MATCH GUARANTEED) as per diagram location. FINDING: **RECOMMENDATION:** Remove and replace all dryrot/fungus as deemed necessary by this firm.(SectionI). RECOMMENDATION: Further inspect areas upon being made accessible, make additional estimate Issue Supplemental Report (if needed). Section Unknown.

SPECIFIC NOTES

NO EAVES, NO ATTIC NOTED.

Cost: REFER TO PROPOSAL \$ 1975.00